

## A G E N D A



## Recommendation for Council Action

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|---------------------|---------|-------|---------------|----|
| Austin City Council | Item ID | 41305 | Agenda Number | 5. |
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|---------------|----------|-------------|---------------|
| Meeting Date: | 3/5/2015 | Department: | Austin Energy |
|---------------|----------|-------------|---------------|

## Subject

Approve issuance of a rebate to Freescale Semiconductor Inc. for energy efficiency improvements at its Oak Hill Campus located at 6501 William Cannon Drive West, in an amount not to exceed \$58,286.39.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2014-2015 Operating Budget of Austin Energy.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

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|-------------------------------|--|
| Purchasing Language:          |  |
| Prior Council Action:         |  |
| For More Information:         | Jeff Vice, Director, Local Government Issues (512) 322-6450; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.  |
| Boards and Commission Action: | February 17, 2015 - Approved by the Resource Management Commission on a vote of 7-0.<br>February 23, 2015 - Approved by the Electric Utility Commission on a vote of 5-0 with Commissioners Meijer and Rai absent. |
| MBE / WBE:                    |  |
| Related Items:                |  |

## Additional Backup Information

Austin Energy requests authorization to issue a rebate to Freescale Semiconductor, Inc. in the amount of \$58,286.39 for the installation of variable frequency drives (VFDs). The VFD is extremely effective at controlling motor speed and torque by varying frequency and voltage. This results in a significant power reduction for a relatively small reduction in speed.

The Oak Hill Campus of Freescale Semiconductor, Inc., a high tech manufacturer of chips for the computer and communications industry, is located at 6501 William Cannon Drive West, Austin, Texas 78735, in District 8. The total cost of their project is \$150,541.34 and the rebate will cover 38.7% of the cost.

This energy efficiency improvement is in accordance with the City of Austin's Commercial Rebate Program guidelines. This program is one element of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan to realize 700 MW of energy efficiency and 200 MW of demand response by 2025. The original plan,

approved by City Council in April 2010 and updated in December 2014, is designed in part to reduce local air pollution through energy conservation, reduce peak demand and assist customers in reducing electric consumption.

The demand (kilowatt or kW) savings associated with this energy efficiency project are estimated at 160.3 kW, at a program cost of \$363.61 per kilowatt saved. The avoided kilowatt hours (kWh) estimated at 500,097 kWh per year represents a major benefit to the local environment. This project will prevent the following air pollutants from being emitted: 300.3 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.189 metric tons of Sulfur Dioxide (SO<sub>2</sub>) and 0.209 metric tons of Nitrogen Oxides (NO<sub>x</sub>).

In addition to the reduced air and toxic pollution, the project savings are also equivalent to an estimated 674,222 vehicle miles traveled, the removal of 58 cars from our roadways, the planting of 7,715 trees or 386 acres of forest in Austin's parks. The project will also generate approximately 225,044 gallons of water conservation at a power plant.